

U.S. Department of the Interior
Bureau of Land Management
Little Snake Field Office
455 Emerson Street
Craig, CO 81625-1129

ENVIRONMENTAL ASSESSMENT

EA-NUMBER: CO-100-2006-092 EA

CASEFILE/PROJECT NUMBER/LEASE NUMBER: COC59491

PROJECT NAME: Focus Ranch Federal Well #3-1

LEGAL DESCRIPTION: SENW Sec. 3, T11N, R88W, 6th PM, Routt County, Colorado

APPLICANT: Clayton Williams Energy, Inc.

PLAN CONFORMANCE REVIEW: The proposed action is subject to the following plan:

Name of Plans: Little Snake Resource Management Plan and Record of Decision (ROD) approved on April 26, 1989; and the Colorado Oil and Gas Leasing & Development Environmental Impact Statement (EIS) and the ROD signed on November 5, 1991.

Remarks: The proposed Focus Ranch Federal Well #3-1 would be located within Management Unit 3 (Little Snake Resource Management Plan). The objectives of Management Unit 3 are to improve soil and watershed values, increase forage production, and enhance livestock grazing. Public lands are open to oil and gas development consistent with the management objectives. The existing access road for the proposed well is located within Management Units 1, 2, 3, and 7. Management Unit 1 is rated as possessing the highest favorability for the occurrence of oil and gas resources in the Little Snake Resource Area. The management objectives of this unit are to realize the potential for development of coal, oil, and gas resources. One of the objectives of Management Unit 2 is to provide for the development of the oil and gas resource. The development of other resource uses/values within this unit is allowed consistent with the management objectives for oil, gas, and forest resources. In Management Units 3 and 7 public lands are open to oil and gas development consistent with the management objectives for the units.

The proposed action was reviewed for conformance with this plan (43 CFR 1610.5, BLM 1617.3). The proposed action is in conformance with the objectives for this management unit.

NEED FOR PROPOSED ACTION: To provide for the development of oil and gas resources and to supply energy resources to the American public.

PUBLIC SCOPING PROCESS: The Notice of Staking (NOS) has been posted in the public room of the Little Snake Field Office for a 30-day public review period beginning January 30, 2006 when the NOS was received, and may be viewed during regular business hours (7:45 a.m. to 4:30 p.m.), Monday through Friday, except holidays.

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES: The proposed action is to approve an Application for Permit to Drill (APD) submitted by Clayton Williams Energy, Inc. This oil and gas lease operator proposes to drill one oil well on BLM land in the SENW Section 3, T11N, R88W, 6th PM. An APD has been filed for the Focus Ranch Federal Well #3-1 with the LSFO that includes drilling and surface use plans. The APD covers mitigation of impacts to vegetation, soil, surface water, and other resources. Mitigation not incorporated by Clayton Williams Energy, Inc. in the drilling and surface use plans would be attached by the BLM as Conditions of Approval (COA) to an approved APD.

The proposed well would be located approximately 7 miles southeast of Slater, Colorado. The approximate date work would start is late summer or fall of 2006 and the estimated duration of construction and drilling is two months. Moffat County Road 129 and approximately six miles of previously constructed oil and gas field access road would be used to access the well site. Clayton Williams Energy, Inc. proposes to construct approximately 300 feet of new access road to access the well site. Total surface disturbance for new road construction would be approximately one-half acre. All road construction would conform to BLM specifications for a “resource road”, with a 14 to 16 foot wide running surface. One cattleguard would be installed to BLM specifications at a private land/BLM boundary fence crossing. No upgrading to MCR 129 or the previously constructed oil and gas field road is anticipated. The existing oil and gas field access road to the Focus Ranch Federal Well #3 is located on private and BLM surface. All new road construction would be on lease and would not require a federal Right-of-Way. No amendments to existing Rights-of-Way are anticipated.

The proposed well pad area would be cleared of all vegetation and leveled for drilling. Topsoil and native vegetation would be stockpiled for use in reclamation. Approximately 2.0 acres would be disturbed for well pad construction. This disturbance includes the 340’ by 236’ well pad, the topsoil pile, and the subsoil piles at the well site. An unlined reserve pit would be constructed on the well pad to hold drill mud and cuttings. If the well is a producer, cut portions of the well site would be backfilled and unused portions of the well site would be stabilized and re-vegetated. If the oil well proves unproductive, the well would be properly plugged and the entire well pad and portions of the access road would be reclaimed.

Clayton Williams Energy, Inc. did not include plans for an oil sales pipeline with the APD. A detailed written statement of work (Sundry Notice) would be filed with the BLM before pipeline installation. This Sundry Notice would be assessed, when it is received, for environmental impacts of an oil sales pipeline.

NO ACTION ALTERNATIVE: The “no action” alternative is that the well would not be permitted and therefore no well would be drilled. Clayton Williams Energy, Inc. holds a valid and current oil and gas lease for the area where the proposed Focus Ranch Federal Well #3-1 would be located. Under leasing contracts, the BLM has an obligation to allow mineral development if the environmental consequences are not irreversible or too severe. The APD process is designed to overcome the no action situation of not accepting the APD through the mitigation of predicted environmental consequences. Since the proposed action is consistent with the ROD and the Oil and Gas Leasing EIS, rejecting the APD for the well was considered but will not be analyzed further in this EA.

AFFECTED ENVIRONMENT/ENVIRONMENTAL CONSEQUENCES/MITIGATION MEASURES

CRITICAL RESOURCES

AIR QUALITY

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action.

Environmental Consequences: Short term, local impacts to air quality from dust would result during and after well pad construction. Drilling operations produce air emissions such as exhaust from diesel engines that power drilling equipment. Air pollutants could include nitrogen oxides, particulates, ozone, volatile organic compounds, fugitive natural gas, and carbon monoxide. Gas flaring reduces the health and safety risks in the vicinity of the well by burning combustible and poisonous gases like methane and hydrogen sulfide. The proposed action will not adversely affect the regional air quality.

Mitigative Measures: None

Name of specialist and date: Barb Blackstun 08/15/06

AREA OF CRITICAL ENVIRONMENTAL CONCERN

Affected Environment: Not present.

Environmental Consequences: Not applicable.

Mitigative Measures: Not applicable

Name of specialist and date: Jim McBrayer 08/03/06

CULTURAL RESOURCES

Affected Environment: Cultural resources, in this region of Colorado, range from late Paleo-Indian to Historic. For a general understanding of the cultural resources in this area of Colorado, see An Overview of Prehistoric Cultural Resources, Little Snake Resource Area, Northwestern Colorado, Bureau of Land Management Colorado, Cultural Resources Series, Number 20, An Isolated Empire, A History of Northwestern Colorado, Bureau of Land Management Colorado, Cultural Resource Series, Number 2 and Colorado Prehistory: A Context for the Northern Colorado River Basin, Colorado Council of Professional Archaeologists.

Environmental Consequences: The proposed project, the Clayton Williams Energy's Federal # 3-1 well location and access road has undergone a Class III cultural resource survey:

Montgomery, Keith

2006 Clayton Williams Energy's Federal # 3-1 Well Location and Stock Pond
A Class III Cultural Resource Inventory MOAC 06-336 BLM 131.2.06. Montgomery Archaeological Consultants, Moab, Utah.

The survey identified no eligible to the National Register of Historic Places prehistoric cultural resources. The proposed project may proceed as described in this EA with the following mitigative measures in place.

Mitigative Measures: The following standard stipulations apply for this project.

1. The operator is responsible for informing all persons who are associated with the operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are encountered or uncovered during any project activities, the operator is to immediately stop activities in the immediate vicinity of the find and immediately contact the authorized officer (AO) at (970) 826-5000. Within five working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again; and
- Pursuant to 43 CFR 10.4(g) (Federal Register Notice, Monday, December 4, 1995, Vol. 60, No. 232) the holder of this authorization must notify the AO, by telephone at (970) 826-5000, and with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony.
- Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

2. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

Name of specialist and date: Gary D. Collins 07/27/06

ENVIRONMENTAL JUSTICE

Affected Environment: The project would not directly affect the social, cultural, or economic well being and health of Native American, minority or low-income populations. The project area is relatively isolated from population centers, so no populations would be affected by physical or socioeconomic impacts from the project.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Louise McMinn 08/03/06

FLOOD PLAINS

Affected Environment: No large floodplains are affected. The floodplain associated with the Fly Creek drainage currently has a fence and improved road developments within the affected area. The Fly Creek floodplain is well vegetated with riparian species.

Environmental Consequences: No threat to human safety, life, welfare, and property will result from the existing drainage crossing.

Mitigative Measures: None

Name of specialist and date: Barb Blackstun 08/15/06

INVASIVE, NONNATIVE SPECIES

Affected Environment: Invasive species and noxious weeds occur within the affected area. Cheatgrass, houndstongue, and musk thistle are common along road disturbances in the affected area. Canada thistle and other biennial thistles are fairly common and can be established in the affected area, especially in road ditches. Russian knapweed and spotted knapweed are in the vicinity of the project and would also be capable of establishing in road ditches. Other species of noxious weeds are not known to be a problem in this area, but they can always be introduced by vehicle traffic, livestock and wildlife.

Environmental Consequences: The surface disturbing activities and associated traffic involved with drilling and operating the well will create an environment and provide a mode of transport for invasive species and other noxious weeds to become established. Construction equipment and any other vehicles and equipment brought onto the site can introduce these weed species from other weed infested areas. Wind, water, recreation vehicles, livestock and wildlife will also assist with the distribution of weed seed into the newly disturbed areas. The operator will be required to control any invasive and/or noxious weeds that become established within the disturbed areas involved with drilling and operating the well. All principles of Integrated Pest Management should be employed to control noxious weeds on public lands.

Mitigative Measures: None

Name of specialist and date: Ole Olsen 08/07/06

MIGRATORY BIRDS

Affected Environment: The proposed project area provides hunting habitat for Golden Eagle and Prairie falcon that are species on the 2002 Birds of Conservation Concern list. There are no known nest sites for either of these species within ½ mile of the proposed access road or well pad.

Environmental Consequences: Nesting and fledgling activities of both species should not be impacted by construction or production activities associated with the proposed well. There is little chance of take of either species as a result of this project.

Mitigative Measures: None

Name of specialist and date: Timothy Novotny 08/16/06

NATIVE AMERICAN RELIGIOUS CONCERNS

A letter was sent to the Uinta and Ouray Tribal Council, Southern Ute Tribal Council, Ute Mountain Ute Tribal Council, and the Colorado Commission of Indian Affairs on January 21, 1999. The letter listed the projects that the BLM would notify them on and projects that would not require notification. No comments were received (Letter on file at the Little Snake Field Office). This project requires no additional notification.

Name of specialist and date: Gary D. Collins 07/27/06

PRIME & UNIQUE FARMLANDS

Affected Environment: Not Present

Environmental Consequences: None

Mitigative Measures: None

Name of specialist and date: Barb Blackstun 08/15/06

T&E SPECIES – ANIMALS

Affected Environment: A review of the U.S. Fish and Wildlife Services threatened and endangered species lists for Moffat and Routt County, Colorado and Carbon County, Wyoming was conducted. The only threatened or endangered species which might be affected by this project are the four big river fish species (Colorado pikeminnow, razorback sucker, humpback chub and the bonytail). These species may be potentially affected by minor water depletions associated with construction activities.

In the spring of 2004, a survey was conducted throughout the project area to identify greater sage-grouse and Columbian sharp-tailed grouse leks, both are BLM special status species. A total of eleven leks were located within the project area. Five of the leks were greater sage-grouse leks, the remaining six were Columbian sharp-tailed grouse leks. Nine of these leks were active during the spring of 2004. All eleven leks were monitored during the spring of 2006. Of the eleven leks that were surveyed in 2006, nine were active and two were inactive. All six of the Columbian sharp-tailed grouse leks that were active in 2004 were active in 2006. Numbers of sharp-tailed grouse attending these leks changed from lek to lek but overall numbers in the project area remained about the same with only five additional birds being counted in 2006. Of the five greater sage-grouse leks surveyed, one of the inactive leks from 2004 was active this year while one of the active leks in 2004 was inactive this year. Both of these leks are in close proximity of the main lek which has over 100 birds. This suggests that these leks are satellite leks rather than a traditional lek. Sage-grouse lek attendance decreased by 24 birds in 2006. Of the eleven leks, three Columbian sharp-tailed grouse leks and 1 greater sage grouse lek are within 2 miles of the proposed well site. The closest lek is over ½ mile from the proposed well site. Three additional Columbian sharp-tailed grouse leks are located within 1 mile of the existing access road.

Environmental Consequences: Construction and drilling activities could have a negative impact on nesting activity associated with six Columbian sharp-tailed grouse leks and one greater sage-grouse lek that are located within two miles of the proposed well pad or access road as a result of traffic and other human related activities. In order to avoid this impact, construction of the well pad and drilling of the well should not occur between March 1 and June 30. Nesting activity associated with leks located further than two mile from the proposed well pad and access road are not likely to be impacted by the proposed well due to distance and topographic barriers. The construction and drilling activities associated with the proposed well should not have an impact on physical characteristics of greater sage-grouse or Columbian sharp-tailed grouse lek sites. Traffic associated with production activities may have a negative impact on breeding and nesting sharp-tailed grouse given the close proximity to several lek sites. In order to reduce potential impacts, radio telemetry

equipment or similar remote sensing equipment should be utilized to monitor a producing well. This would reduce the number of vehicle trips needed maintain the well. When motorized travel is necessary, vehicle use should be restricted to between 9 am and 6 pm during the grouse breeding season (March 1 and May 31).

Mitigative Measures: CO-30 Grouse leks will be avoided by 2 miles between March 1 and June 30 to protect nesting grouse.

If the well is brought into production, radio telemetry equipment will be installed and utilized to remotely monitor the well and reduce the number of trips that are needed to the well site.

Motorized travel along access road will be restricted to the hours between 9 am and 6 pm during the greater sage-grouse and Columbian sharp-tailed grouse breeding season (March 1 and May 31). Exceptions to this restriction will be allowed for emergency maintenance of the well.

Name of specialist and date: Timothy Novotny 08/16/06

T&E SPECIES – PLANTS

Affected Environment: There are no federally listed threatened or endangered plant species within or in the vicinity of the Proposed Action.

Environmental Consequences: None

Mitigative Measures: None

Name of specialist and date: Hunter Seim 08/08/06

T&E SPECIES - SENSITIVE PLANTS

Affected Environment: There are no BLM sensitive plant species within or in the vicinity of the Proposed Action.

Environmental Consequences: None

Mitigative Measures: None

Name of specialist and date: Hunter Seim 08/08/06

WASTES, HAZARDOUS OR SOLID

Affected Environment: If the release does occur, the environment affected would be dependent on the nature and volume of material released. If there are no releases, there will be no impact on the environment.

Environmental Consequences: Consequences will be dependent on the volume and nature of the material released. In most every situation involving hazardous materials, there are ways to remediate the area that has been contaminated. Short-term consequences will occur, but they can be remedied, and long-term impacts will be minimal.

Mitigative Measures: None

Name of specialist and date: Duane Johnson 07/27/06

WATER QUALITY/HYDROLOGY – GROUND

Affected Environment: Fresh water zones within the Lewis and Williams Fork Formations will be isolated from poorer quality water within the deeper saline formations. Near surface waters will be protected by the surface casing and cement behind pipe. The Williams Fork and Iles Formation coals will be isolated by the production casing and cement behind the drill pipe. Potable water is highly unlikely in this area. It is predicted that the produced water from the Williams Fork Formation coals will be of poor quality.

Environmental Consequences: With the use of proper construction practices, drilling practices, and with best management practices no significant adverse impact to groundwater aquifers and quality is anticipated to result from the proposed action. A geologic and engineering review was performed on the 8-point drilling plan to ensure that the cementing and casing programs adequately protect the downhole resources.

Mitigative Measures: None

Name of specialist and date: Robert Ernst 08/07/06

WATER QUALITY– SURFACE

Affected Environment: The project area is located on the hills south of the Little Snake River near Slater, CO. Topographically, the area is typified by isolated peaks, buttes, and mountain ridge fingers. Water is abundant; numerous perennial and intermittent streams flow through the project area toward the river. Runoff water from the project area would drain through Kilgore Gulch, Government Corral Creek, Fly Creek, and Cantling Creek, all tributaries of the Little Snake River. The Little Snake River within the affected environment must have water quality sufficient to support Aquatic Life Cold 1, Recreation 1a, Water Supply and Agriculture. Tributaries of the Little Snake River when they flow

water must support the same beneficial uses. All stream segments within the affected environment are presently supporting their classified uses.

Environmental Consequences: Impacts from construction would be greatest shortly after project start and would decrease in time as a result of stabilization through revegetation and reclamation of disturbed areas. Increased sedimentation to the Little Snake River during spring runoff or from high intensity summer/fall rainstorms would be the greatest potential impact to water quality. Although some sediment may be transported off site and eventually reach perennial waters, the mitigation provided in the Surface Use Plan and the Conditions of Approval will reduce the potential impacts caused by surface runoff to an acceptable level.

Mitigative Measures: None

Name of specialist and date: Barb Blackstun 08/15/06

WETLANDS/RIPARIAN ZONES

Affected Environment: There are no wetlands or riparian zones present in or near the proposed project area.

Environmental Consequences: None

Mitigative Measures: None

Mitigative Measures: Timothy Novotny 08/16/06

WILD & SCENIC RIVERS

Affected Environment: Not present.

Environmental Consequences: Not applicable.

Mitigative Measures: Not applicable

Name of specialist and date: Jim McBrayer 08/03/06

WILDERNESS, WSAs

Affected Environment: Not present.

Environmental Consequences: Not applicable.

Mitigative Measures: Not applicable

Name of specialist and date: Jim McBrayer 08/03/06

NON-CRITICAL ELEMENTS

FLUID MINERALS

Affected Environment: The proposed action is in oil and gas favorability zone 4 (highest for oil and gas development potential). The geologic formation at the surface is the Cretaceous age Lewis Shale Formation (Kls).

Environmental Consequences: None

Mitigative Measures: None

Name of specialist and date: Robert Ernst 08/07/06

HYDROLOGY/SURFACE

Affected Environment: The project area is located on the hills south of the Little Snake River near Slater, CO. Topographically, the area is typified by isolated peaks, buttes, and mountain ridge fingers. Water is abundant; numerous perennial and intermittent streams flow through the project area toward the river. Runoff water from the affected area would drain through Kilgore Gulch, Government Corral Creek, Fly Creek, and Cantling Creek, , all tributaries of the Little Snake River.

Environmental Consequences: Existing improved roads have been surveyed and designed to handle the surface water drainage that will be intercepted and channeled down road ditches. Road and well pad construction would follow the design standards and recommendations outlined in the Surface Operating Standards for Oil and Gas Development, 4th Edition.

Mitigative Measures: Additional mitigative measures will be employed to prevent or reduce accelerated erosion if it begins to occur within or on constructed drainage and diversion ditches or surface drainages affected by the roads or well pads.

Name of specialist and date: Barb Blackstun 08/15/06

PALEONTOLOGY

Affected Environment: The geologic formation at the surface is the Cretaceous age Lewis Shale Formation (Kls) . This formation is a dark-gray homogenous marine shale. Thickness is estimated at 1,500-1,900 ft. This unit has been classified a Class II formation for the potential for occurrence of scientifically significant fossils. Scientifically significant fossils are occasionally found within this formation (Armstrong & Wolney, 1989). The potential for discovery of significant fossils on this location is considered to be moderate.

Environmental Consequences: If any such fossils are located here, construction activities could damage the fossils and the information that could have been gained from them would be lost. The significance of this impact would depend upon the significance of the fossil. This impact can be effectively mitigated by ceasing operations and notifying the Field Office Manager immediately upon discovery of a fossil during construction activities. An assessment of the significance is made and a plan to retrieve the fossil or the information from the fossil is developed.

The proposed action could also constitute a beneficial impact to paleontological resources by increasing the chances for discovery of scientifically significant fossils.

Mitigative Measures: "Standard Discovery Stip", i.e., "If fossils are discovered during construction or other operations, all activity in the area will cease and the Field Office Manager will be notified immediately. An assessment of significance will be made within an agreed timeframe. Operations will resume only upon written notification by the Authorized Officer."

References

Armstrong, Harley J. and Wolney, David G., 1989, Paleontological Resources of Northwest Colorado: A Regional Analysis, Museum of Western Colorado, Grand Junction, CO, prepared for Bur. Land Management, Vol. I of V.

Miller, A.E., 1977, Geology of Moffat County, Colorado, Colo. Geol. Surv. Map Series 3, 1:126,720.

Name of specialist and date: Robert Ernst 08/07/06

REALTY AUTHORIZATIONS

Affected Environment: There are three existing access roads present in the project area, COC56626 held by Lazy C2 Bar Ranch., and COC64097 held by Cedar Ridge LLC and COC67658 held by Clayton Williams. The entire project is located on lands that are included in a withdrawal for coal land, Executive Order dated 7/7/1910. This project will have no impact on the existing authorizations.

Environmental Consequences: An additional 300 feet in length of new access road (located on lease) is necessary for the project. After the well is plugged, the access road will be reclaimed according to the terms and conditions of the APD.

Mitigative Measures: None.

Name of specialist and Date: Louise McMinn 08/07/06

RECREATION/TRAVEL MANAGEMENT

Affected Environment: The main access road into the area of this well was constructed in 2005, and is approximately 11 miles in length. It is single-lane, gravel surfaced with inter-visible turnouts, and passes within 100 feet of the proposed Focus Ranch Federal Well #3-1 location. The majority of this road passes through BLM surface, with the remainder through private lands, including the Lazy C2 Bar Ranch. This ranch owner has a surface use agreement with Clayton-Williams Corporation that prohibits their use of this road during the fall Big Game Hunting Season. The BLM lands around the Focus Ranch Federal Well #3-1 are managed for public non-motorized recreation, primarily to provide high quality big game hunting in the fall.

Environmental Consequences: The access road to the Focus Ranch Federal Well #3-1 off the existing main access road presents no transportation or recreation impacts. The new access road length is only 300 feet, and its location and design standards are adequate for safely accessing the drill pad location. The seasonal road use restrictions imposed on Clayton-Williams in the fall by the Lazy C2 Bar Ranch will ensure high quality public big game hunting opportunities as motorized traffic on the road will not occur during this time of the year.

Mitigative Measures: None.

Name of specialist and date: Rob Schmitzer 08/15/06

SOCIO-ECONOMIC CONCERNS

Affected Environment: Socioeconomic impacts of the project would be largely positive. The project would enhance regional economic conditions and generate revenues from local, state, and federal government taxes and royalties. The relatively small, short-term drilling and construction workforce would not create noticeable effects on population or increase in demand for temporary housing or local government services.

Development and operation of the project would require goods and services from a variety of local and regional contractors and vendors, from oil and gas service industry, and from other industries. Expenditures by the companies for these goods and services, coupled with employee and contractor spending, would generate economic effects in Moffat County, Routt County, Carbon County, and the nation as a whole. The project would involve capital investment in the well.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Louise McMinn 08/07/06

SOILS

Affected Environment: The existing oil and gas field access road crosses many soil types which vary from a gravel glacial till to fairly deep alluvium along streams. The proposed well site is found within the Binco-Gourley complex soil-mapping unit. Slopes within this unit average 3 to 25 percent. These soils are very deep and well drained. They are formed in residuum and alluvium derived from shale. Runoff is rated as rapid and the hazard of water erosion is high. The hazard of soil blowing is moderate.

Environmental Consequences: The construction and operation of the Focus Ranch Well #3-1 would affect soils within and immediately adjacent to the proposed areas of disturbance. Road and well pad construction should follow the design standards and recommendations outlined in the Surface Operating Standards for Oil and Gas Development, 4th Edition.

Increased soil erosion from wind and water would occur during construction of the well pad and access road. Erosion would continue throughout the operational life of the well. Loss of topsoil, soil compaction, and possible increases in sediment loads to drainages are impacts most likely to occur. Vegetation and soil would be removed from approximately 2.5 acres of land. Soil productivity would decline due to reduced soil microbial activity, impaired water infiltration, mixing of soil horizons, top soil loss, and introduction of weeds.

Soil erosion would be reduced to an acceptable level with mitigation described in the Surface Use Plan and Conditions of Approval in the approved APD. Soil loss from construction would be greatest shortly after project start and would decrease in time as a result of stabilization through revegetation and reclamation of disturbed areas.

Mitigative Measures: Additional mitigative measures will be employed to prevent or reduce accelerated erosion if it begins to occur within or on constructed drainage and diversion ditches or surface drainages affected by the roads or well pads.

Name of specialist and date: Barb Blackstun 08/15/06

VEGETATION

Affected Environment: The Proposed Action is located in a sagebrush-grass plant community. Dominant plants include Wyoming big sagebrush (*Artemisia tridentata wyomingensis*), antelope bitterbrush (*Purshia tridentata*), green rabbitbrush (*Chrysothamnus viscidiflorus*), rubber rabbitbrush (*C. nauseous*), death camas (*Zygadenus venenosus*), blue flax (*Linum perenne*), sego lily (*Calochortus nuttallii*), Indian paintbrush (*Castilleja* spp.), Hood's phlox (*Phlox hoodii*), longleaf phlox (*P. longifolia*), bluebunch wheatgrass (*Agropyron spicatum*), western wheatgrass (*A. smithii*), prairie junegrass (*Koeleria pyramidata*), Kentucky bluegrass (*Poa pratensis*), and Sandberg bluegrass (*P. sandbergii*). As is typical for a higher elevation sagebrush site, vigor and diversity are high.

Environmental Consequences: The Proposed Action would completely remove approximately 2.5 acres of native vegetation. There are few similar impacts within the general vicinity and this removal would be minor within the larger landscape. Required reseedling with adapted native species would, upon successful establishment, reduce this impact whether the pad is partially reclaimed for a producing well or completely reclaimed if the well does not produce.

Mitigative Measures: None

Name of specialist and date: Hunter Seim 08/08/06

WILDLIFE, AQUATIC

Affected Environment: No aquatic wildlife habitat will be disturbed by this project.

Environmental Consequences: None

Mitigative Measures: None

Name of specialist and date: Timothy Novotny 08/16/06

WILDLIFE, TERRESTRIAL

Affected Environment: The proposed well pad is within year round habitat for pronghorn antelope, mule deer and elk. The existing access road to the proposed well site is located within mule deer and elk severe winter range. No new construction or drilling activities will occur within big game severe winter range. The area also provides habitat for a variety of small mammals, songbirds and reptiles.

Environmental Consequences: Well pad construction and drilling activities are likely to displace big game animals. Construction and drilling should avoid critical winter periods (December 1 April 30) in order to reduce stress on wintering big game. Traffic associated with well drilling activities would have a negative impact on big game animals using critical winter range if these activities were to occur during this time period.

Most small mammals using the project area will be capable of avoiding construction equipment and should not be directly harmed by these activities. There is potential that some individual animals will be susceptible to higher predation rates as they are displaced from the construction area. Some burrowing animals may be killed by construction equipment. This should be considered a short-term negative impact that is not likely to harm populations of any species. It can be expected that any small mammal species impacted by construction activities will recover to pre-construction levels within a couple of years.

Approximately 2.5 acres of nesting habitat for songbirds will be destroyed during construction activities. No active nests are likely to be impacted due to timing constraints on development for greater sage grouse. The loss of nesting habitat should be small in regards to population levels and no long term negative impact to any songbird species is anticipated as a result of this project.

Reptilian species are not common in the project area and are likely limited to garter snakes, bull snakes, prairie rattlesnakes and sagebrush lizards. Most individuals would be able to avoid construction equipment and should not be impacted by these activities. Increased vehicle traffic resulting from production activities may result in accidental and intentional mortality to some individuals. Increased mortality is not expected to be significant and should not result in negative impacts on any species population.

Mitigative Measures: CO-09 No surface disturbing activities on big game crucial winter range between December 1 and April 30.

Name of specialist and date: Timothy Novotny 08/16/06

OTHER NON-CRITICAL ELEMENTS: For the following elements, those brought forward for analysis will be formatted as shown above.

Non-Critical Element	NA or Not Present	Applicable or Present, No Impact	Applicable & Present and Brought Forward for Analysis
Fluid Minerals			See Fluid Minerals
Forest Management		BB 08/15/06	
Hydrology/Ground		RE 08/07/06	
Hydrology/Surface			See Hydrology/Surface
Paleontology			See Paleontology
Range Management		JHS 08/07/06	
Realty Authorizations			See Realty
Recreation/Travel Mgmt			See Recreation
Socio-Economics			See Socio-Economics
Solid Minerals		RE 08/07/06	
Visual Resources		JM 08/03/06	
Wild Horse & Burro Mgmt	BB 08/15/06		

CUMULATIVE IMPACTS SUMMARY: Cumulative impacts may result from the development of the Focus Ranch Federal Well #3-1 when added to non-project impacts that result from past, present, and reasonably foreseeable future actions. The potential exists for future oil and gas development if the proposed well becomes a productive well. Currently there are no wells within a one-mile radius of the proposed well. Other past or existing actions near the project area that have influence on the landscape are oil and gas activity that is not part of the Focus Ranch project, wildfire, recreation, hunting, grazing, and ranching activities.

Surface disturbance associated with oil and gas activity would increase the potential for erosion and sedimentation. Only a small reduction in available forage would be anticipated. Some wildlife species may be temporarily displaced by construction at the well site, access road, and future pipeline routes, but should return once construction is completed. Contrasts in line, form, color, and texture from development would impact the visual qualities on the landscape.

The cumulative effects of projected oil and gas development are minimized through Best Management Practices identified in the Surface Use Plan of the APD and the BLM required mitigation in the Conditions of Approval for the APD. Proper construction and drilling practices must comply with federal and state environmental regulations. All oil and gas wells in the area would be completed in accordance with Onshore Order No. 2. Reasonably foreseeable mineral development would occur under the guidelines of the Little Snake Resource Management Plan and the Colorado Oil and Gas Leasing and Development EIS.

STANDARDS:

PLANT AND ANIMAL COMMUNITY (animal) STANDARD: The proposed project area provides suitable habitat for a variety of big game, small mammal, reptilian, amphibian and avian species. These habitats are currently capable of supporting diverse, productive wildlife populations. The proposed project has the potential to temporarily displace individuals that use the area during construction. Direct mortality resulting from construction should not have any impact on any wildlife populations. Once construction is complete, most wildlife species will reoccupy areas not disturbed by construction. A permanent loss of approximately 2.5 acres of habitat will not have a big impact on wildlife in the area. Production activities may result in slight increases in mortality to some reptilian and avian animals as a result of collisions with motor vehicles. Production related impacts should not have a long-term negative impact on any species populations. Production activity is also likely to result in extended displacement larger than the well pad site. This standard is currently being met and will continue to be met in the future.

Name of specialist and date: Timothy Novotny 08/16/06

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (animal)

STANDARD: A review of the U.S. Fish and Wildlife Services threatened and endangered species lists for Moffat and Routt County, Colorado and Carbon County, Wyoming was conducted. The only threatened or endangered species which might be affected by this project are the four big river fish species (Colorado pikeminnow, razorback sucker, humpback chub and the bonytail). These species may be potentially affected by minor water depletions associated with construction activities. Water depletions will be mitigated for through the Little Snake Field Office's Minor water depletion log and Mitigative fees will be paid accordingly.

Mitigative measures will be sufficient to protect greater sage grouse and Colombian sharp-tailed grouse nesting and breeding habitat.

This standard is currently being met and will continue to be met in the future.

Name of specialist and date: Timothy Novotny 08/16/06

PLANT AND ANIMAL COMMUNITY (plant) STANDARD: As long as required rehabilitation practices are followed and they are successful, the Proposed Action would meet this standard. The seeding and successful establishment of native species either upon partial or total reclamation of the site would ensure that cheatgrass and other non-native and/or invasive species are minimized and not allowed to spread into the surrounding plant community. The No Action Alternative would meet this standard as no disturbance would occur.

Name of specialist and date: Hunter Seim 08/08/06

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (plant) STANDARD: There are no federally listed threatened or endangered or BLM sensitive plant species within or in the vicinity of the Proposed Action. This standard does not apply.

Name of specialist and date: Hunter Seim 08/08/06

RIPARIAN SYSTEMS STANDARD: There are no wetlands or riparian zones in the proposed project area. This standard does not apply.

Name of specialist and date: Timothy Novotny 08/16/06

WATER QUALITY STANDARD: The proposed action would meet the public land health standard for water quality. Interim reclamation of the unused area on the well pad will be completed to minimize sheet and rill erosion from the well site. When the well pad is no longer needed for production operations, the disturbed area would be reclaimed to approximate original contours, topsoil would be redistributed, and adapted plant species would be reseeded. These Best Management Practices would help to reduce accelerated erosion of the sites. No stream segments near this project are listed as impaired.

Name of specialist and date: Barb Blackstun 08/15/06

UPLAND SOILS STANDARD: The proposed action will not meet the upland soil standard for land health, but it is not expected to while the well location and access road are used for operations. The drilling and production site and access road will not exhibit the characteristics of a healthy soil. Several Best Management Practices have been designed into the project or are attached as mitigating measures that will reduce impacts to and conserve soil materials. Upland soil health will return to the well pad and access road disturbances after well abandonment and reclamation practices have been successfully achieved.

Name of specialist and date: Barb Blackstun 08/15/06

PERSONS/AGENCIES CONSULTED: Uintah and Ouray Tribal Council, Colorado Native American Commission, Colorado State Historic Preservation Office.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)
EA CO-100-2006-092

Based on the analysis of potential environmental impacts contained in the EA and all other available information, I have determined that the proposal and the alternatives analyzed do not constitute a major Federal action that would adversely impact the quality of the human environment. Therefore, an EIS is unnecessary and will not be prepared. This determination is based on the following factors:

1. Beneficial, adverse, direct, indirect, and cumulative environmental impacts have been disclosed in the EA. Analysis indicated no significant impacts on society as a whole, the affected region, the affected interests, or the locality. The physical and biological effects are limited to the Little Snake Resource Area and adjacent land.
2. Public health and safety would not be adversely impacted. There are no known or anticipated concerns with project waste or hazardous materials.
3. There would be no adverse impacts to regional or local air quality, prime or unique farmlands, known paleontological resources on public land within the area, wetlands, floodplain, areas with unique characteristics, ecologically critical areas, or designated Areas of Critical Environmental Concern.
4. There are no highly controversial effects on the environment.
5. There are no effects that are highly uncertain or involve unique or unknown risk. Sufficient information on risk is available based on information in the EA and other past actions of a similar nature.
6. This alternative does not set a precedent for other actions that may be implemented in the future to meet the goals and objectives of adopted Federal, State, or local natural resource related plans, policies, or programs.
7. No cumulative impacts related to other actions that would have a significant adverse impact were identified or are anticipated.
8. Based on previous and ongoing cultural surveys, and through mitigation by avoidance, no adverse impacts to cultural resources were identified or anticipated. There are no known American Indian religious concerns or persons or groups who might be disproportionately and adversely affected as anticipated by the Environmental Justice Policy.

9. No adverse impacts to any threatened or endangered species or their habitat that was determined to be critical under the Endangered Species Act were identified. If, at a future time, there could be the potential for adverse impacts, treatments would be modified or mitigated not to have an adverse effect or new analysis would be conducted.

10. This alternative is in compliance with relevant Federal, State, and local laws, regulations, and requirements for the protection of the environment.

DECISION AND RATIONALE: I have determined that approving this APD is in conformance with the approved land use plan. It is my decision to implement the project with the mitigation measures provided in the Application for Permit to Drill and the Conditions of Approval. The project will be monitored as stated in the Compliance Plan outlined below.

MITIGATION MEASURES: The mitigation measures for this project are found in the file room of the Little Snake Field Office. The APD's 13-point surface use plan, well location maps, and the Conditions of Approval are found in the well's case file labeled COC59491, Well #3-1.

COMPLIANCE PLAN(S):

Compliance Schedule

Compliance will be conducted during the construction phase and drilling phase to insure that all terms and conditions specified in the lease and the approved APD are followed. In the event a producing well is established, periodic inspections as identified through the Inspection and Enforcement Strategy and independent well observations will be conducted. File inspections will include a review of all required reports and the Monthly Report of Operations will be evaluated for accuracy.

Monitoring Plan

The well location and access road will be monitored during the term of the lease for compliance with pertinent Regulations, Onshore Orders, Notices to Lessees, or subsequent COAs until final abandonment is granted; monitoring will help determine the effectiveness of mitigation and document the need for additional mitigative measures.

Assignment of Responsibility

Responsibility for implementation of the compliance schedule and monitoring plan will be assigned to the Fluid Mineral staff in the Little Snake Field Office. The primary inspector will be the Petroleum Engineering Technician, but the Petroleum Engineer, Natural Resource Specialist, Realty Specialist, and Legal Instruments Examiner will also be involved.

SIGNATURE OF PREPARER:

DATE SIGNED:

SIGNATURE OF ENVIRONMENTAL REVIEWER:

DATE SIGNED:

SIGNATURE OF AUTHORIZED OFFICIAL:

DATE SIGNED: